

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

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CHAPTER 21.
BOARD OF ACCOUNTANCY REGULATIONS.

PART I.
DEFINITIONS AND FEES.

18 VAC 5-21-10. Definitions.

The following words and terms when used in this chapter have the following meanings, unless the context clearly indicates otherwise:

“Accredited institution” means any degree-granting college or university accredited at the time of the applicant's degree or attendance by any of the following: Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, and Western Association of Schools and Colleges.

“Assurance” means any act or action, whether written or oral, expressing an opinion or conclusion about the reliability of a financial statement or about its conformity with any financial accounting principles or standards.

“Audit” means expressing an opinion about the fairness of presentation of financial statements in accordance with prescribed criteria.

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“Board” means the Board of Accountancy.

“Certify,” “audit,” “examine,” “review,” or “express or disclaim an opinion,” when referenced to financial information or the practice of public accountancy, are terms which, when used in connection with the issuance of reports, state or imply assurance of conformity with generally accepted accounting principles, generally accepted auditing standards, and review standards. The terms include forms of language disclaiming an opinion concerning the reliability of the financial information referred to or relating to the expertise of the issuer.

“Client” means a person or entity that contracts with or retains a firm for performance of services by a CPA certificate holder or registration certificate holder subject to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.

“Commission” means compensation generated from the purchase or sale of a product or service and which would not be generated but for the purchase or sale of the product or service.

“Conditional CPA exam credit” means credit for successfully passing a section of the CPA exam.

“Contact hour” means 50 minutes of participation in a group program or 50 minutes of average completion time in a self-study program.

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1 “Contingent fee” means a fee established for the performance of a service pursuant to an
2 arrangement in which no fee will be charged unless a specified finding or result is obtained, or in
3 which the amount of the fee is dependent upon the finding or result obtained. Fees shall not be
4 considered contingent if fixed by courts or other public authorities, or in tax matters if
5 determined based on the results of judicial proceedings or the findings of governmental
6 agencies. A CPA certificate holder’s fees may vary depending on the complexity of services
7 rendered, and such variation shall not be considered a contingent fee.

8

9 “Continuing Professional Education (CPE)” means an integral part of the lifelong learning
10 required to provide competent service to the public; the formal set of activities that enables
11 accounting professionals to maintain and increase their professional competence.

12

13 “CPA certificate” means a certificate as a certified public accountant (CPA) issued by the
14 board pursuant to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this
15 chapter, which shall function as a license, or a corresponding certificate as a certified public
16 accountant issued after meeting ~~examination~~ the CPA exam and other requirements under the
17 laws of any other state.

18

19 “CPA exam” means the National Uniform CPA exam approved and administered by the
20 Board of Accountancy to candidates for a CPA certificate.

21

22 “CPA wall certificate” means the symbolic document suitable for wall display that is issued
23 by the board to an individual meeting the requirements for a CPA certificate set forth in 18 VAC
24 5-21-30.

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“CPE” means continuing professional education.

“CPE credit” means 50 minutes of participation in a group, independent study or self-study program.

“CPE reporting year” means for the purposes of this chapter a calendar year.

“CPE reporting cycle” means the three CPE reporting years immediately preceding the year the CPA certificate is renewed pursuant to 18 VAC 5-21-80.

~~“Credit hour” means successful completion of a course of study measured in a contact hour.~~

“Ethics CPE” means subjects relating to standards of conduct, Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia, and regulations of the Board.

“Examination” means, when used in the context of services provided by CPAs, expressing an opinion about the fairness of presentation of financial information in accordance with prescribed criteria.

“Financial statement” means writing or other presentation, including accompanying notes, which presents, in whole or in part, historical or prospective financial position, results of operations or changes in financial position of any person, corporation, partnership or other entity.

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2 “Firm” means a sole proprietorship, partnership, corporation, limited liability company, limited
3 liability partnership, or any other form of organization permitted by law.

4

5 “Good character” means a lack of a history of dishonest or felonious acts.

6

7 “Group program” means an educational process designed to permit a participant to learn a
8 given subject through interaction with an instructor and other participants.

9

10 “Interactive self-study program” means a program using interactive learning methodologies
11 simulating a classroom learning process by employing software, other courseware, or
12 administrative systems and providing significant ongoing, interactive feedback to the learner
13 regarding his learning process. Substantial written or electronic evidence of satisfactory
14 completion of each program segment by the learner is required. Interactive self-study programs
15 must clearly define lesson objectives and manage students through the learning process by
16 requiring frequent student response to questions that test for understanding of the material
17 presented, providing evaluative feedback to incorrectly answered questions, and providing
18 reinforcement feedback to correctly answered questions. Capabilities must, based on student
19 response, provide appropriate ongoing written or electronic format feedback to the student
20 regarding his learning progress through the program.

21

22 “Noninteractive self-study program” means any self-study program that does not meet the
23 criteria for interactive self-study programs.

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1 “Original CPA certificate” means a CPA certificate issued by the board other than a CPA
2 certificate by endorsement.

3

4 “Peer review” means a study, appraisal, or review, by a CPA certificate holder who is not
5 affiliated with the firm being reviewed, of one or more aspects of the professional work of a firm
6 that engages in the practice of public accounting or compiles financial statements in accordance
7 with the American Institute of Certified Public Accountants’ Statements on Standards for
8 Accounting and Review Services (SSARS).

9

10 “Practice of public accountancy” or “public accounting” means the giving of an assurance, in
11 a report or otherwise, whether expressly or implicitly, unless this assurance is given by an
12 employee to his employer.

13

14 “Practice of taxation” means the providing of tax compliance and tax advice services.

15

16 “Registration” means the process through which a firm obtains a registration certificate from
17 the board.

18

19 “Registration certificate” means a certificate issued to a firm that has met all of the
20 requirements for registration under this chapter.

21

22 “Regulant” means any CPA certificate holder or registration certificate holder who is subject
23 to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.

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1 “Renewal month” means the month of the calendar year in which a firm is required to renew
2 its registration certificate.

3

4 “Report” or “reports,” when used with reference to financial statements, means an opinion or
5 disclaimer of opinion or other form of language or representation that states or implies any form
6 of assurance or denial of assurance.

7

8 “Self-study program” means an educational process designed to permit a participant to learn
9 a given subject without major involvement of an instructor. Self-study programs do not include
10 informal learning.

11

12 “SSARS” means Statements on Standards for Accounting and Review Services established
13 by the American Institute of Certified Public Accountants.

14

15 “Standards of conduct” means the standards set forth in 18 VAC 5-21-120.

16

17 “Standards of practice for CPA certificate holders” means the standards set forth in 18 VAC
18 5-21-130, 18 VAC 5-21-140 and 18 VAC 5-21-150.

19

20 “State” means any state of the United States, the District of Columbia, Puerto Rico, the U.S.
21 Virgin Islands and Guam.

22

23 “Substantial equivalency” means a determination by the board or its designee that the
24 education, ~~examination~~ CPA exam and experience requirements contained in the statutes and

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1 administrative rules of another jurisdiction are comparable to, or exceed, the education,
 2 ~~examination~~ CPA exam and experience requirements contained in this chapter, or that an
 3 individual CPA from another jurisdiction has met education, ~~examination~~ CPA exam and
 4 experience requirements that are comparable to, or exceed, the education, ~~examination~~ CPA
 5 exam, and experience requirements contained in Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1
 6 of the Code of Virginia and this chapter.

7

8 “Window” means the four times (each being a three-month period) in a year that a CPA
 9 candidate may take the computer-based CPA exam.

10

11 “Year” means a calendar year unless otherwise indicated.

12

13 **18 VAC 5-21-20. Fees.**

14

15 A. All fees are nonrefundable and the date of receipt by the board or its agent is the date
 16 that will be used to determine whether it is on time.

17

18 B. The following fees shall apply:

19

Initial examination <u>CPA exam</u> application fee	\$25
Original CPA certificate application	\$24
CPA certificate by endorsement application	\$24
Registration certificate application	\$24

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CPA certificate renewal	\$24
Registration certificate renewal	\$24
CPA certificate late renewal	\$25
Registration certificate late renewal	\$25
CPA certificate reinstatement	\$250
Registration certificate reinstatement	\$250
Non-interactive processing fee	\$5

1

2

If the renewal fee is not received by the board within 30 days after the expiration date printed on the CPA certificate or the registration certificate, the regulant shall pay the renewal and the late renewal fees. Regulants applying for reinstatement shall pay all unpaid renewal fees in addition to the late renewal and the reinstatement fees.

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C. The late filing fee for CPA certificate holders who fail to complete or report their CPE as required by this chapter shall be:

8

9

10

1. If received by the board up to four months late, \$25.

11

12

2. If received by the board more than four months late but not more than six months late, \$50.

13

14

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3. If received by the board more than six months late, \$75.

16

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D. The fee for a replacement wall certificate shall be \$25.

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E. A fee of \$25 will be charged in addition to the fees established in this section for submitting a check to the board which is dishonored by the institution upon which it is drawn.

F. A non-interactive processing fee will be assessed when online payment option is not chosen by the applicant or regulant.

G. The fee for the ~~examination~~ CPA exam provided for in 18 VAC 5-21-30 C shall consist of the CPA exam contract charges incurred by the Board. ~~An administrative~~ plus the initial CPA exam application fee, of \$25 which will be assessed at the time of initial application for ~~examination~~ the CPA exam but not for reexamination. ~~No administrative fee will be assessed for re-examination~~. ~~Examination~~ CPA exam service contracts shall be established through competitive negotiation in compliance with the Virginia Public Procurement Act (§ ~~44-35~~ 2.2-4300 et seq. of the Code of Virginia). The ~~examination~~ CPA exam fee shall not exceed \$1,000.

PART II.

ENTRY REQUIREMENTS FOR CPA CERTIFICATE, REGISTRATION CERTIFICATE AND
CPA SUPERVISING SERVICES INVOLVING THE PRACTICE OF PUBLIC ACCOUNTING.

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18 VAC 5-21-30. Qualifications for CPA certificate.

A. Each applicant must be a person of good character as defined in 18 VAC 5-21-10.

B. Education prior to taking the ~~examination~~ CPA exam.

1. Each ~~applicant~~ candidate whose application to sit for an ~~examination~~ a CPA exam administered prior to July 1, 2006, shall have received a baccalaureate degree or its equivalent conferred by an accredited college or university as required by § 54.1-4409 B 1 of the Code of Virginia and shall at the time the application is received have completed the following courses at the undergraduate or graduate level to meet the accounting concentration requirement of § 54.1-4409 B 1 of the Code of Virginia:

a. At least 24 semester hours of accounting including courses covering the subjects of financial accounting, auditing, taxation, and management accounting; and

b. At least 18 semester hours in business courses (other than the courses described in subdivision 1 a of this subsection).

An applicant whose application is received under the requirements of this subdivision may take the examination so long as the requirements of subsection C of this section are met.

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- 1 2. Each ~~applicant~~ candidate whose application to sit for an ~~examination~~ a CPA exam
- 2 administered on or after July 1, 2006, shall meet the requirements of § 54.1-4409 B 2
- 3 of the Code of Virginia and shall at the time the application is received have
- 4 completed the following courses at the undergraduate or graduate level to meet the
- 5 accounting concentration requirement of § 54.1-4409 B 2 of the Code of Virginia:
- 6
- 7 a. At least 30 semester hours of accounting, including courses covering the subjects
- 8 of financial accounting, auditing, taxation, and management accounting; and
- 9
- 10 b. At least 24 semester hours in business courses (other than the courses described
- 11 in subdivision 2 a of this subsection).
- 12
- 13 3. A quarter hour of coursework shall be considered the equivalent of two-thirds of a
- 14 semester hour of coursework.
- 15
- 16 4. Each applicant with a degree or coursework earned at a nonaccredited college or
- 17 university shall, if credit for such degree or coursework is to be considered by the
- 18 board, (i) have his educational credentials evaluated by an academic credentials
- 19 service approved by the board or an accredited institution, as defined in 18 VAC 5-
- 20 21-10, to determine the extent to which such credentials are equivalent to the
- 21 education requirements set forth in subdivisions 1 and 2 of this subsection; and (ii)
- 22 submit such evaluations to the board, which may accept or reject the evaluator's
- 23 recommendations in whole or in part.
- 24

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- 1 5. Evidence of having obtained the required education shall be submitted in the form of
2 official transcripts transmitted in a manner determined by the board. In unusual
3 circumstances, the board may accept other evidence it deems to be substantially
4 equivalent.

5
6 C. ~~Examination~~ CPA exam.

- 7
8 1. Each ~~applicant~~ candidate shall pass (i) a national uniform ~~examination~~ CPA exam, as
9 approved by the board, in auditing and attestation, regulation, business environment
10 and concepts, business law and professional responsibilities, accounting and
11 reporting (taxation, managerial, governmental and not-for-profit organizations),
12 financial accounting and reporting, and other such related subject areas as deemed
13 appropriate by the board; and (ii) an ethics ~~examination~~ exam approved by the
14 board. Each part of the ~~examination~~ CPA exam must be passed ~~with a minimum by~~
15 attaining a uniform passing grade established through a psychometrically acceptable
16 standard-setting procedure approved by the board ~~based upon the recommendation~~
17 ~~of a psychometrician who has determined the valid passing grade by conducting a~~
18 ~~scientific analysis of the examination.~~
19
20 2. The following rules for granting CPA exam credits are applicable until the computer-
21 based CPA exam becomes effective.

22
23 If at a given sitting of the ~~examination~~ CPA exam an ~~applicant~~ candidate passes
24 two or more but not all sections, then the ~~applicant~~ candidate shall be given credit for

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1 those sections that the ~~applicant~~ candidate has passed and need not sit for
2 reexamination in those sections provided the following conditions are met:

3
4 a. At that sitting, the ~~applicant~~ candidate wrote all sections of the ~~examination~~ CPA
5 exam for which the ~~applicant~~ candidate did not have credit;

6
7 b. The ~~applicant~~ candidate attained a minimum grade of 50 on each section taken
8 at that sitting when the first two sections were passed and in each subsequent
9 sitting attains a minimum grade of 50 on all sections taken at that sitting;

10
11 c. The ~~applicant~~ candidate passes the remaining sections of the ~~examination~~ CPA
12 exam within six consecutive ~~examinations~~ CPA exams (irrespective of the date
13 on which the ~~examination~~ CPA exam credit was earned) given after the one at
14 which the first sections were passed; and

15
16 d. At each subsequent sitting at which the ~~applicant~~ candidate seeks to pass any
17 additional sections, the ~~applicant~~ candidate writes all sections for which the
18 ~~applicant~~ candidate does not have credit.

19
20 3. The following rules for granting CPA exam credits will take effect beginning with the
21 first computer-based CPA exam:

22
23 a. Granting of credit.
24

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1 (1) Candidates will be allowed to sit for each section of the CPA exam
2 individually and in any order.

3
4 (2) Candidates will retain credit for any section(s) passed for 18 months, without
5 having to attain a minimum score on failed sections and without regard to
6 whether they have taken other sections. Candidates will not be allowed to
7 retake a failed section(s) within the same CPA exam window.

8
9 (3) Candidates must pass all four sections of the CPA exam within a “rolling” 18-
10 month period, which begins on the date that the first section(s) passed is
11 taken.

12
13 (4) In the event all four sections of the CPA exam are not passed within the
14 rolling 18-month period, credit for any section(s) passed outside that 18-
15 month period will expire and that section(s) must be retaken.

16
17 b. Conditional CPA exam credits.

18
19 (1) Candidates who have earned conditional credits on the non-computer-based
20 CPA exam as of the date of the first computer-based CPA exam will be given
21 credits for the corresponding sections of the computer-based CPA exam as
22 follows:

23

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<u>Non-Computer-Based CPA Exam</u>	<u>Computer-Based CPA Exam</u>
<u>Auditing</u>	<u>Auditing and Attestation</u>
<u>Financial Accounting and Reporting (FARE)</u>	<u>Financial Accounting and Reporting</u>
<u>Accounting and Reporting (ARE)</u>	<u>Regulation</u>
<u>Business Law and Professional Responsibilities (LPR)</u>	<u>Business Environment and Concepts</u>

1

2

(2) Candidates who have attained conditional status as of the launch date of the first computer-based CPA exam will be allowed a transition period to complete any remaining test sections of the CPA exam. The transition is the maximum number of opportunities that a candidate who has conditioned under the non-computer-based CPA exam has remaining, at the launch of the computer-based CPA exam, to complete all remaining test sections, or the number of remaining opportunities under the non-computer-based CPA exam, multiplied by six months, which is first exhausted.

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~~3~~ 4. The board may, at its discretion, waive any of the above requirements for carryover of ~~examination~~ CPA exam credits, if such waiver is in the public interest.

12

13

4 5. Each ~~applicant~~ candidate shall follow all rules and regulations established by the board with regard to conduct at the ~~examination~~ CPA exam. Such rules shall include instructions communicated prior to the ~~examination~~ CPA exam date and

15

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1 instructions communicated at the ~~examination~~ CPA exam site on the date of the
2 ~~examination~~ CPA exam.

3
4 ~~§ 6.~~ Failure to comply with the rules and regulations governing conduct in the
5 ~~examination~~ CPA exam may result in the loss of established eligibility to sit for the
6 ~~examination~~ CPA exam or credit for ~~examination~~ CPA exam parts passed.

7
8 ~~§ 7.~~ An applicant A candidate to sit for the ~~examination~~ CPA exam shall obtain an
9 application form from the board or its designee, complete the application in
10 accordance with the instructions on the application, and submit the application
11 together with all required documents to the board or its designee by the date
12 determined by the board or its designee.

13
14 ~~7 8.~~ An applicant A candidate who fails to appear for the ~~examination~~ CPA exam or
15 reexamination shall forfeit the fees charged for that ~~examination~~ CPA exam or
16 reexamination unless excused by the board.

17
18 ~~8 9.~~ The fee to sit for the ~~examination~~ CPA exam is established in 18 VAC 5-21-20 ~~F G,~~
19 whether paid directly to the board or to a designee under contract to the board.

20
21 10. The Board or its designee will forward notification of eligibility for the computer-
22 based CPA exam to NASBA's National Candidate Database.

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1 11. Cheating by a candidate in applying for, taking or subsequent to the CPA exam will
2 be deemed to invalidate any grade otherwise earned by a candidate on any test
3 section of the CPA exam, and may warrant summary expulsion from the CPA exam
4 site and disqualification from taking the CPA exam for a specified period of time.

5
6 12. Notwithstanding any other provisions under these rules, the Board may postpone
7 scheduled CPA exams, the release of grades, or the issuance of certificates due to
8 a breach of CPA exam security; unauthorized acquisition or disclosure of the
9 contents of a CPA exam; suspected or actual negligence, errors, omissions, or
10 irregularities in conducting a CPA exam; or for any other reasonable cause or
11 unforeseen circumstances.

12
13 D. Experience.

14
15 1. Each applicant for initial issuance of a CPA certificate under this section shall provide
16 documentation of having met the experience requirements established by § 54.1-
17 4409 C of the Code of Virginia, which requires at least one year of acceptable
18 experience in accounting or a related field. The experience may include providing
19 any type of service or advice involving the use of accounting, management, financial,
20 tax, or consulting advisory skills or services. Acceptable experience shall include
21 employment in government, industry, academia or public accounting or related
22 services. The applicant's experience may be supervised by a non-CPA certificate
23 holder, although, when completing the application for the CPA certificate, the
24 experience must be verified by a CPA certificate holder.

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2. One year of experience shall consist of full- or part-time employment that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services described in subdivision 1 of this subsection.

18 VAC 5-21-40. Issuance of original CPA certificate; CPA certificate by endorsement; and substantial equivalency.

- A. Practicing as a CPA in the Commonwealth of Virginia. Only an individual who (i) holds a valid CPA certificate or (ii) meets the substantial equivalency requirements in this section may practice as a CPA in the Commonwealth of Virginia.

- B. Original CPA certificate.

1. Each individual who desires to use the CPA designation shall first obtain a CPA certificate.
2. Each applicant for an original CPA certificate shall submit an application, on a form provided by the board, which shall document that the requirements of 18 VAC 5-21-30 have been met. If the application is received by the board three or more years after the successful completion of the CPA ~~examination~~ exam by the applicant, the applicant shall, in addition, submit evidence of having met the CPE requirements set forth in 18 VAC 5-21-170 A 3 or B 3, and completed the most recent Ethics CPE

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1 course. Each applicant shall agree to comply with the statutes and regulations of
2 any other state in which he is authorized to practice.

3

4 3. Each application for an original CPA certificate shall be accompanied by the fee
5 established in 18 VAC 5-21-20.

6

7 C. CPA certificate by endorsement.

8

9 1. Each individual who holds a CPA certificate in a state other than Virginia and either
10 (i) has moved his principal place of business to Virginia or (ii) does not meet the
11 substantial equivalency provision outlined in subsection G of this section must obtain
12 a CPA certificate by endorsement prior to practicing as a CPA in Virginia.

13

14 2. Each applicant for a CPA certificate by endorsement shall submit an application, on
15 a form provided by the board, which shall document that the applicant holds a
16 corresponding CPA certificate as a certified public accountant issued after meeting
17 ~~examination~~ CPA exam and other requirements under laws of the state(s) from
18 which the applicant is seeking a CPA certificate by endorsement. The application
19 shall include the following:

20

21 a. From each state from which the applicant has received a CPA certificate (or from
22 the applicant directly if the state is unable to provide the information), a written
23 statement from the board of each state confirming that the applicant (i) is in good
24 standing in that state; (ii) has not been found guilty of violating that state's

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1 standards of conduct or practice; (iii) has no pending actions alleging violations of
2 that state's standards of conduct or practice; (iv) has met the education
3 requirements in effect in that state when the applicant passed the national
4 uniform ~~examination~~ CPA exam described in 18 VAC 5-21-30 C; and (v) has met
5 the experience requirement for a CPA certificate in effect in Virginia when the
6 CPA certificate by endorsement application is received by the board. An
7 applicant who holds a CPA certificate from a state that the board has determined
8 meets the substantial equivalency provision set forth in § 54.1-4411 of the Code
9 of Virginia shall be considered to have met the requirements of clauses (iv) and
10 (v) of this paragraph.

- 11
- 12 b. A written statement from the applicant affirming that the applicant has (i) not
13 violated the board's standards of conduct or standards of practice; and (ii) met
14 the board's continuing education requirements.

15

16 The board may deny the application for a CPA certificate by endorsement if the
17 applicant is not in good standing in the other states which have issued CPA
18 certificates to the applicant or if any information from the applicant indicates a failure
19 to comply with the aforementioned standards.

- 20
- 21 3. Each application for a CPA certificate by endorsement shall be accompanied by the
22 fee established in 18 VAC 5-21-20.
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1 D. Each CPA certificate holder shall have the privilege of using the CPA designation
2 provided the CPA certificate holder complies with the (i) standards of conduct, (ii)
3 standards of practice, and (iii) the renewal requirements established by the board. Upon
4 expiration of the CPA certificate, the CPA certificate holder shall cease displaying the
5 CPA certificate and the wall certificate, and shall cease affixing and using the CPA
6 designation in any manner.

7
8 E. All CPA certificate holders who supervise services involving the practice of public
9 accountancy and who sign or authorize another to sign the report on the financial
10 statements on behalf of the firm shall meet the experience requirement established in 18
11 VAC 5-21-50.

12
13 F. CPA certificates issued under the provisions of this chapter shall expire one year from
14 the last day of the month wherein the initial CPA certificate was issued and shall be
15 renew ed in compliance with 18 VAC 5-21-80.

16
17 G. Privilege to practice without a CPA certificate by endorsement, substantial equivalency.

- 18
19 1. A holder of a CPA certificate from a state other than Virginia and with a principal
20 place of business in a state other than Virginia shall either obtain a CPA certificate by
21 endorsement as outlined in subsection C of this section or meet the substantial
22 equivalency requirements of this subsection before beginning CPA practice in
23 Virginia.

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- 1 2. To implement the provisions of § 54.1-4411 A of the Code of Virginia, the privilege to
2 practice under substantial equivalency shall be evidenced by the following:
3
4 a. If the individual's CPA certificate is issued by a state that the board has
5 determined is substantially equivalent, the CPA certificate issued by that state
6 shall constitute evidence of the privilege to practice.
7
8 b. If the individual's CPA certificate is issued by a state that the board has
9 determined is not substantially equivalent, the CPA certificate holder shall notify
10 the board in writing that he intends to practice in the Commonwealth and shall
11 provide documentation acceptable to the board that he has personally satisfied
12 the requirements for substantial equivalency. An approval letter from the board
13 shall constitute evidence of the privilege to practice.
14
15 c. A CPA certificate by endorsement shall be obtained if the CPA exercising the
16 privilege to practice under substantial equivalency moves his principal place of
17 business to Virginia or ceases to have an office in any other state.
18
19 3. For the purposes of implementing § 54.1-4411 B 2 of the Code of Virginia relating to
20 the privilege of practicing public accounting extended to nonresident CPA certificate
21 holders, the board shall determine the state to be served based on whose statutes
22 and regulations most closely correspond to those of the Commonwealth of Virginia.
23

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- 1 4. The board shall determine whether a state meets the substantial equivalency
2 provisions for nonresident CPA certificate holders by periodically obtaining, reviewing
3 and approving a list of states, which in the opinion of the board, meet the substantial
4 equivalency provisions for nonresident CPA certificate holders.

PART VII.

CONTINUING PROFESSIONAL EDUCATION.

8
9 **18 VAC 5-21-170. Continuing professional education requirements for CPA certificate**
10 **applicants and for CPA certificate holders.**

11
12 A. Use of CPA designation and performing services for the public.

- 13
14 1. As provided in § 54.1-4410 B of the Code of Virginia, any person referring to himself
15 as a Certified Public Accountant or “CPA,” including the use of the “CPA” title on
16 individual business cards, letterhead and all other documents and devices except the
17 CPA wall certificate, and who is performing or offering to perform any services
18 involving accounting skills or auditing skills, issuing reports on financial advisory or
19 consulting services, preparing tax returns, or furnishing advice on tax matters, for the
20 public, shall obtain 120 ~~hours of~~ CPE credits during each CPE reporting cycle with a
21 minimum of 20 ~~hours~~ CPE credits per CPE reporting year. The CPA certificate
22 holder may choose the areas of study and courses.

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- 1 2. Any person covered by this provision who, prior to implementation of § 54.1-4410 B
2 of the Code of Virginia on October 4, 1999, provided one or more of the services
3 described in subdivision 1 of this subsection, but was not required to obtain CPE,
4 shall obtain at least 20 ~~hours~~ of CPE credits in each of the CPE reporting years
5 2000, 2001 and 2002 and meet the 120-~~hour~~ CPE-credit requirement for the CPE
6 reporting cycle ending December 31, 2002.
- 7
- 8 3. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or more
9 years after his successful completion of the CPA ~~examination~~ exam who intends to
10 provide the services described in subdivision 1 of this subsection shall, in addition,
11 submit evidence of having met the 120-~~hour~~ CPE-credit requirement in subdivision 1
12 of this subsection as though subdivision 1 of this subsection had been applicable to
13 the applicant during the three ~~calendar~~ years prior to the date of his application.
- 14
- 15 4. Any CPA certificate holder whose original CPA certification application was received
16 by the board fewer than three years after his successful completion of the CPA
17 ~~examination~~ exam who commences the services described in subdivision 1 of this
18 subsection after December 31, 2000, shall have obtained 40 ~~hours~~ of CPE credits
19 within the 12 months preceding the date such services are first offered to the public
20 and obtain the remaining 80 ~~hours~~ of CPE credits by the end of the second CPE
21 reporting year following the date of commencing such services with no less than 20
22 ~~hours~~ CPE credits in each of these two CPE reporting years. In addition, such CPE
23 shall include the most recent Ethics CPE course.
- 24

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1 B. Use of CPA designation and performing services other than for the public.

- 2
- 3 1. As provided in § 54.1-4410 C of the Code of Virginia, effective July 1, 2002, any
- 4 person referring to himself as a Certified Public Accountant or “CPA,” including the
- 5 use of the “CPA” title on individual business cards, letterhead and all other
- 6 documents and devices except the CPA wall certificate, who is performing or offering
- 7 to perform any services involving accounting skills or auditing skills, issuing reports
- 8 on financial advisory or consulting services, preparing tax returns, or furnishing
- 9 advice on tax matters, for an employer or other organization and not for the public, or
- 10 who is employed as an educator in the field of accounting, shall meet the following
- 11 CPE requirements as a condition of renewal of the person’s CPA certificate: (i) for
- 12 the three-year reporting period beginning ~~July 1, 2002~~ January 1, 2003, a minimum
- 13 of ~~45 credit hours~~ CPE credits with a minimum of ~~10 hours~~ CPE credits per year, (ii)
- 14 for the three-year reporting period beginning ~~July 1, 2005~~ January 1, 2006, a
- 15 minimum of ~~90 credit hours~~ CPE credits with a minimum of ~~15 hours~~ CPE credits per
- 16 year, and (iii) for the three-year reporting periods beginning on or after ~~July 1, 2008~~
- 17 January 1, 2009, a minimum of ~~120 credit hours~~ CPE credits with a minimum of ~~20~~
- 18 ~~hours~~ CPE credits per year. The CPA certificate holder may choose the areas of
- 19 study and courses.

- 20
- 21 2. Individuals failing to meet the CPE requirements may be subject to requalification,
- 22 including possible re-examination and submission of experience qualifications. The
- 23 board may, at its discretion, waive or defer CPE requirements so long as such waiver
- 24 or deferral is in the public interest.

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3. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or more years after his successful completion of the CPA ~~examination~~ exam who intends to provide the services described in subdivision 1 of this subsection shall, in addition, submit evidence of having met the CPE requirement of subdivision 1 of this subsection as though subdivision 1 of this subsection had been applicable to the applicant during the three ~~calendar~~ years prior to the date of his application. Furthermore, if such person obtained his CPA certificate at a time when he did not intend to provide services for the public and subsequently decides to provide for the public the services described in subdivision A 1 of this section, then such regulant shall, prior to performing such services, meet the 120-hour CPE-credit requirement of subdivision A 1 of this section.

C. Use of CPA designation and not performing services.

1. Any CPA certificate holder who is not performing or offering to perform any of the services described in subdivision A 1 or B 1 of this section is not required to meet CPE requirements.
2. Any CPA certificate holder who ceases to perform services for the public shall meet the CPE requirements described in subdivision A 1 of this section for any reporting year in which he performed those services. Any CPA certificate holder who performs services for the public for less than a complete reporting cycle shall

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1 complete at least 20 ~~hours~~ CPE credits in each reporting year that he did perform
2 services for the public during the reporting cycle.

3
4 D. CPE in standards of conduct, Code of Virginia statutes relating to public accountancy,
5 and Board's regulations.

6
7 Beginning with the CPE reporting year ending immediately subsequent to the year in
8 which these regulations become effective, each CPA to which the CPE requirements in
9 subsections A and B of this section apply will obtain annually two CPE credits relating to
10 standards of conduct, Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of
11 Virginia, and regulations of the Board. The course will be a self-contained course
12 presented in not more than two CPE credit parts and may be presented in conjunction
13 with other CPE programs. The course may be a self-study course so long as the self-
14 study requirements of 18 VAC 5-21-170 F 3 are met. An outline of the required content
15 for the course will be provided by the Board to CPE providers who must state in their
16 Ethics CPE course material and related catalog summaries whether the content of the
17 course includes the material required by the Board for the calendar year the course is
18 provided.

19
20 D E. Requirements for retaining records.

- 21
22 1. It is the responsibility of the CPA certificate holder to retain evidence of satisfactory
23 completion of CPE ~~credit hours~~ credits for a period of three years from the
24 anniversary date of renewal. Such documentation shall be in the form of the

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1 certificate of completion provided by the sponsor, verification from the institution
2 offering the course, written statement from the course provider verifying the
3 regulant's attendance, or any other documentation deemed agreeable by the
4 board.

- 5
- 6 2. The CPA certificate holder shall provide such documentation to the board or its
7 authorized agent upon request.

8

9 E. Continuing professional education credit.

- 10
- 11 1. One credit hour shall be given for each 50-minute period of instruction. One
12 semester hour of college credit is 15 CPE ~~credit hours~~ credits and one quarter hour
13 of college credit is 10 CPE ~~credit hours~~ credits.

- 14
- 15 2. A CPA certificate holder who instructs courses that qualify for CPE credit for
16 participants will be awarded two additional ~~hours of~~ CPE credits for each CPE
17 credit ~~hour~~ of instruction. The instructor shall retain evidence to support the
18 request for CPE credit. The instructor shall be given no CPE credit for subsequent
19 sessions involving substantially identical subject matter. The CPE credit given for
20 instructing shall not exceed 30 ~~credit hours~~ CPE credits per CPE reporting cycle.

- 21
- 22 3. CPE ~~credit hours~~ credits for successful completion of a self-study course shall be
23 established by the sponsor according to the type of CPE self-study program and
24 pre-tests to determine average completion time. Interactive self-study programs

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1 shall receive CPE credit equal to the average completion time. Noninteractive self-
2 study programs shall receive CPE credit equal to one-half of the average
3 completion time. For example, an interactive self-study program that takes an
4 average of two contact hours to complete shall receive two CPE ~~credit hours~~
5 credits, and a noninteractive self-study program that takes an average of two
6 contact hours to complete shall receive one CPE credit ~~hour~~.

7

8 I certify that this regulation is full, true, and correctly dated.

9

10

11

Nancy Taylor Feldman, Executive Director

12

Board of Accountancy

13

14

Date: _____

15